

Message Text

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63

ACTION EUR-12

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INFO AMEMBASSY OTTAWA

AMCONSUL CALGARY

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E.O. 11652:N/A

TAGS: EAIR, CA

SUBJECT: FEDERAL CABINET BLOCKS PACIFIC WESTERN AIRLINES MOVE
TO ALBERTA

REF: OTTAWA 3168

FOLLOWING ARE EXCERPTS FROM ARTICLE IN AUGUST 6 VANCOUVER
PROVINCE BY TRANSPORTATION WRITER MARKE WILSON, "THE FEDERAL
CABINET HAS STOPPED THE TRANSFER OF HEAD OFFICE STAFF FROM
VANCOUVER TO CALGARY BY PACIFIC WESTERN AIRLINES BECAUSE IT IS
ANXIOUS TO PREVENT THE FRAGMENTATION OF AIRLINE SERVICES
IN CANADA, SEN. RAY PERRAULT SAID THURSDAY. "SPEAKING BY TELEPHONE
FROM OTTAWA, PERRAULT SAID THE CABINET IS CONCERNED LEST
OTHER PROVINCIAL GOVERNMENTS FOLLOW THE LEAD OF ALBERTA IN ACQUIRING
PWA...." PWA IS NOW EFFECTIVELY A PROVINCIAL CROWN CORPORATION
AND A SUPREME COURT RULING WILL DETERMINE WHETHER SUCH AN ENTITY
SHOULD BOW TO THE AUTHORITY OF THE FEDERAL CANADIAN TRANSPORTATION
COMMISSION (CTC).

"PERRAULT SAID THAT IF THE SUPREME COURT OF CANADA...RULES IN
ALBERTA'S FAVOR, THE CABINET WILL FACE TWO CHOICES. "ONE OPTION
WILL BE TO LET NATURE TAKE ITS COURSE, ANOTHER WILL BE TO
INTRODUCE LEGISLATION MAKING IT CLEAR THAT THE CTC DOES
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HAVE JURISDICTION IN THE MATTER."

"PERRAULT SAID THAT IF THE COURT UPHOLDS THE FEDERAL COURT POSITION, THEN THE CTC WILL BE FREE TO GO AHEAD WITH HEARINGS INTO ALBERTA S ACQUISITION OF PWA AND B.C. AIR CANADA AND OTHERS WILL BE FREE TO VOICE OBJECTIONS TO THE TAKEOVER....

"PERRAULT POINTED OUT THAT IF THE CTC IS CLEARED TO HOLD A HEARING INTO ALBERTA S TAKEOVER, THE CABINET WILL HAVE THE POWER TO OVERRULE ANY COMMISSION DECISION.

" PERRAULT SAID THE CABINET OF WHICH HE IS A MEMBER, (FROM B.C.) IS CONCERNED TO STOP THE BALKANIZATION OF BOTH AIR AND SUFACE TRANSPORTATION SERVICES IN CANADA . " WE ARE FACED WITH A PROVINCIAL GOVERNMENT ACQUIRING CONTROL OVER A FEDERALLY REGULATED INTERPROVINCIAL CARRIER AND THEN SAYING THAT THIS CARRIER, BY NATURE OF ITS CROWN CORPORATION STANDING, IS NOT SUBJECT TO ANY KIND OF REVIEW BY THE CANADIAN TRANSPORTATION COMMISSION. THE IMPLICATIONS ARE CONSIDERABLE. ...".
LUPPI

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